

**MINUTES OF THE BOARD OF TRUSTEES
CITY OF CINCINNATI RETIREMENT
SYSTEM
February 6, 2003 - 1:30 P.M.**

The Chairperson called the meeting to order at 1:30 P.M. with the following members present:

John Bowling
Minette Cooper (proxy for Mayor Charlie Luken)
Joe Harrison
Valerie Lemmie, City Manager
William Moller, Secretary
V. Daniel Radford, Chairperson
Ely Ryder
Paula Taylor
Edwin Volpe

Member/s Absent:

John Cranley
Michael Rachford

Mr. Radford called for a motion to approve the minutes of the November 7, 2002 meeting. The motion was made by Mr. Harrison, seconded by Mr. Moller and carried; the minutes were approved as prepared by the Secretary.

BENEFITS COMMITTEE

Ms. Taylor, Chairperson, reported that the Benefits Committee met on January 30, 2003. Ms. Taylor gave the following report.

1. Application for Ordinary Retirement February 1, 2003: Total – 18

NO.	NAME	DEPARTMENT
33108	Bennie Allen	MSD
36348	Harold Scharf	Water Works
37653	Willie Hill	RCC
37944	Levonina Travis	Health
38657	Thomas Gamel	Fleet Services
38821	Robert Hess	Water Works
39036	Roy Brown	MSD
39047	Nancy Goodnough	Water Works
39206	Linda Foley	University Hospital
39207	Jane Kettlehake	University Hospital
39234	Marvin Johnson	MSD
42488	Kevin Shepard	General Services
43277	Emmett Gladden	University of Cincinnati
43941	Gregory Fehring	Water Works
43996	Roger Turner	Water Works
44013	Catherine Utz	University Hospital
44037	Donald Robison	Water Works
52603	Richard Carlton	MSD

2. Application for Retirement Death Benefits: Total - 9

3. Application for Disability Retirement: Total - 3

No.	Name	Department	Effective Date
53092	Len Johnson	Convention Center	January 1, 2003
44465	Vivian Johnson	University of Cincinnati	January 1, 2003
50581	Norma Ayers	MSD	November 1, 2002

4. Application for Deferred Retirement: Total – 2

No.	Name	Department	Effective Date
59542	Dennis Murphey	Environmental Mgmt.	May 1, 2009
52506	Douglas Fraser	Parks	July 1, 2011

Ms Taylor moved that the Board accept the report of the Benefits Committee. The motion was made by Mr. Bowling, seconded by Mr. Ryder and carried by the Board.

INVESTMENT COMMITTEE

At the November 8, 2002 Investment Committee meeting, the committee reviewed the fund's 3rd quarter investment performance report. Mr. Moller reported that the investment returns of the total fund for the 3rd quarter was – 11.12%, underperforming the fund's benchmark return that was –10.66%. Year-to-date returns were –16.04% for the fund versus –15.27 for the fund's benchmark.

Mr. Moller also reported that the committee discussed the performance of Oppenheimer as well as both international managers. Mr. Moller indicated that Oppenheimer had been placed on the watch list at the October meeting, and the committee would further review their performance upon completion of the upcoming asset/liability study. Mr. Moller also indicated that the committee was in the process of searching for other potential international managers. The retirement staff is in the process of setting up interviews with six outside managers as well as both current international managers.

Mr. Moller reported that as of 12/31/02, total assets of the fund have fallen to just below \$2.0 billion. Mr. Moller also indicated that the actual asset allocations are in line with the target allocations for each asset class.

Mr. Fink updated the Board on the status of the asset/liability study. There were eight responses to the RFP, and the committee selected PCA/EFI to conduct the study. PCA/EFI is actually two separate firms (PCA is an investment consulting firm and EFI an actuarial firm) that work together on asset/liability study's. The retirement staff is working with the Law Department to prepare the agreement with PCA/EFI to conduct the study.

SECRETARY'S REPORT

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 27
2. Resolution for Return of Contributions –Total: 21 Amount: \$119,802.30
3. Resolution for Loans to Members – Total: 46 Amount: \$436,528.77
4. Report on Deaths of Pensioned Members – Total: 12
5. Report on Military Service Credit prior to Membership – Total: 5

The Secretary submitted the following vouchers for payment:

PAYEE	AMOUNT
Elizabeth Boston – Correction of Pension Adjustment for Nov & Dec 2002	\$500.00
All Star Personnel Inc. – Temporary Personnel Services	\$2,268.07
City of Cincinnati Printing Services – Billing for Printing & Postage services for Dec. 2002	\$352.91
City of Cincinnati Communication Technology Services – recurring telephone services	\$388.71
Business Information Solutions Inc. – Storage of CRS files	\$50.00
The Northern Trust Company – Billing for Custody services rendered in 2002	\$63,283.07
ABS Business Products Inc. – Monthly Rental Base Rate for Copier	\$238.50
All Star Personnel Inc. – Temporary Personnel Services	\$1,281.46
The Wall Street Journal – Subscription for John Walsh	\$379.00
Business Information Solutions – Storage of CRS files	\$50.00
All Star Personnel Inc. – Temporary Personnel Services	\$2,181.87
Advanced Transitions, Inc. – Return to Work Program	\$3,348.34

The Secretary reported that at the close of business, January 31, 2003, there was in the Treasury, to the credit of the Retirement System \$6,929,218.77.

Asset Valuation:

- December 31, 2001: 2.36 billion
- December 31, 2002: \$1.99 billion
- YTD Increase (Decrease): (15.88%)

Current Asset Allocation: (Policy Objective)

- Domestic Equity: 51.9% (50%)
- International: 13.2 (13.5%)
- Fixed Income: 33.7% (33.5%)
- Alternative Assets/Real Estate: 1.2% (3%)

OTHER BUSINESS

Mr. Radford informed the Board of the term expiration for Mr. Bowling. Mr. Moller nominated Mr. Bowling for another term; seconded by Mr. Ryder and carried by the Board. Mr. Radford, Ms. Cooper and Mr. Harrison expressed their appreciation to Mr. Bowling for serving on the Board. The Board will make recommendation for approval of the nomination of Mr. Bowling to City Council.

Mr. Moller expressed his appreciation to Mr. Radford on his efforts for obtaining a "Certificate of Achievement" in Public Plan Policy (CAPPP) a program in Employee Pensions.

Mr. Radford requested an update on Squire Sanders and Dempsey's report indicating reference to the City Solicitor's opinion to the Board regarding hiring outside legal counsel. Ms. Deborah Wyler (for Ms. Roshani Hardin) of the Solicitor's office addressed the issue, and indicated that a recommendation is being drafted and a determination is pending.

Mr. Ryder made reference to working with other boards on corporate governance matters. He further inquired whether there was any progress in this area. Staff reported that very little progress has been made regarding this item. Staff will continue to research alternatives and bring a recommendation back to the Board.

ADJOURNMENT

Upon motion of Mr. Radford to adjourn, a motion was made by Mr. Harrison, seconded by Ms. Cooper and carried; the meeting adjourned at 1:58 p.m.